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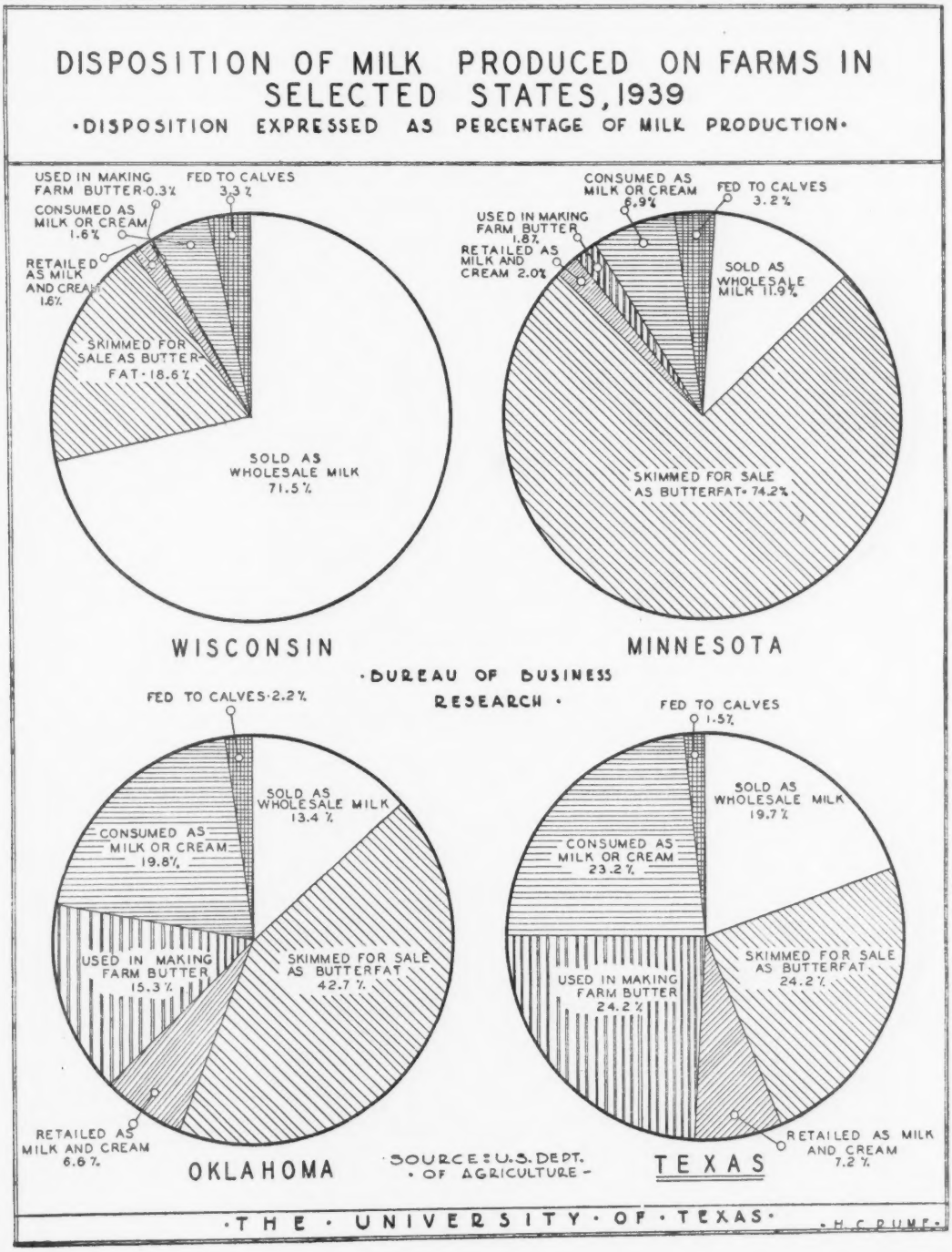
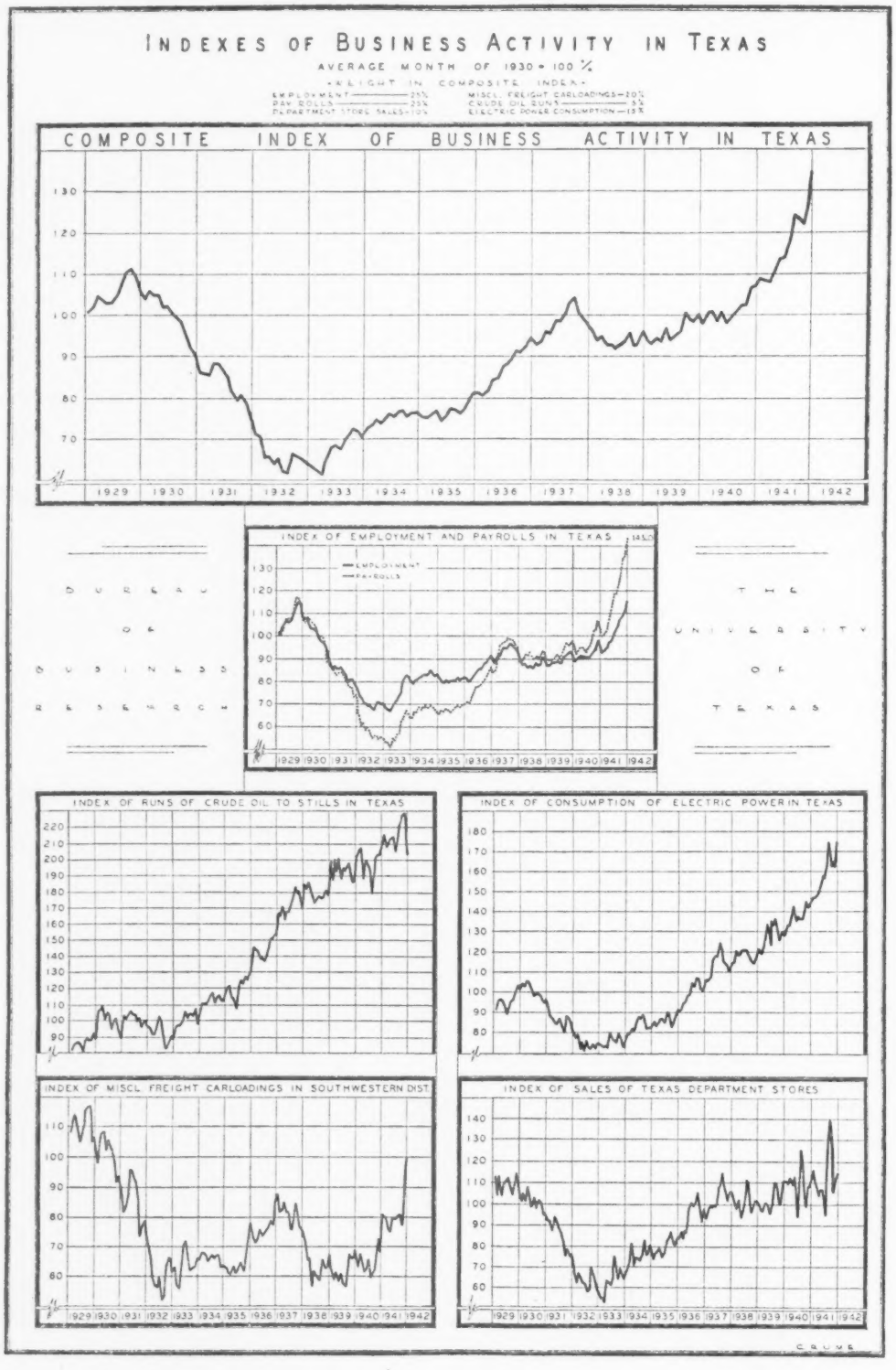

DISPOSITION OF MILK PRODUCED ON FARMS IN SELECTED STATES, 1939
·DISPOSITION EXPRESSED AS PERCENTAGE OF MILK PRODUCTION·
USED IN MAKING FARM BUTTER 0.3%
FED TO CALVES 3.3%
CONSUMED AS MILK OR CREAM 1.6%
RETAILED AS MILK AND CREAM 1.6%
SKIMMED FOR SALE AS BUTTERFAT 18.6%
SOLD AS WHOLESALE MILK 71.5%
WISCONSIN
CONSUMED AS MILK OR CREAM 6.9%
FED TO CALVES 3.2%
USED IN MAKING FARM BUTTER 1.8%
RETAILED AS MILK AND CREAM 2.0%
SOLD AS WHOLESALE MILK 11.9%
SKIMMED FOR SALE AS BUTTERFAT 74.2%
MINNESOTA
·BUREAU OF BUSINESS RESEARCH·
FED TO CALVES 2.2%
SOLD AS WHOLESALE MILK 13.4%
CONSUMED AS MILK OR CREAM 19.8%
USED IN MAKING FARM BUTTER 15.3%
SKIMMED FOR SALE AS BUTTERFAT 42.7%
RETAILED AS MILK AND CREAM 6.6%
OKLAHOMA
FED TO CALVES 1.5%
SOLD AS WHOLESALE MILK 19.7%
CONSUMED AS MILK OR CREAM 23.2%
USED IN MAKING FARM BUTTER 24.2%
SKIMMED FOR SALE AS BUTTERFAT 24.2%
RETAILED AS MILK AND CREAM 7.2%
TEXAS
·SOURCE: U.S. DEPT. OF AGRICULTURE·
·THE·UNIVERSITY·OF·TEXAS·
·H.C.RUMF·


INDEXES OF BUSINESS ACTIVITY IN TEXAS
AVERAGE MONTH OF 1930 = 100 %
WEIGHT IN COMPOSITE INDEX
EMPLOYMENT 25%
PAY ROLLS 25%
DEPARTMENT STORE SALES 10%
MISCL. FREIGHT CARLOADINGS 20%
CRUDE OIL RUNS 5%
ELECTRIC POWER CONSUMPTION 15%
COMPOSITE INDEX OF BUSINESS ACTIVITY IN TEXAS
130
120
110
100
90
80
70
1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942
BUREAU OF BUSINESS RESEARCH
INDEX OF EMPLOYMENT AND PAYROLLS IN TEXAS
EMPLOYMENT
PAYROLLS
THE UNIVERSITY OF TEXAS
INDEX OF RUNS OF CRUDE OIL TO STILLS IN TEXAS
INDEX OF CONSUMPTION OF ELECTRIC POWER IN TEXAS
INDEX OF MISCL. FREIGHT CARLOADINGS IN SOUTHWESTERN DIST.
INDEX OF SALES OF TEXAS DEPARTMENT STORES
CRUME

Business Review and Prospect

Important as the achievements in war production have been to date, they will appear small indeed when, a year hence, they are compared with the accomplishments of 1942. The favorable showing will result not only from the vast expansion of plant capacity to be inaugurated during the present year, but also from the bringing into production of plants which have been under construction for a matter of several months, a year, or even longer, but which have not yet contributed to the supply of war materials. Not only will expenditures for war production advance on a progressively vaster scale, but with the unified control which has recently been put into effect, each dollar expended may be expected to produce greater results. Sharp and painful readjustments, falling on all groups from great corporations to small individual business concerns, will characterize the economic life of the Nation this year. All classes of citizens will be subject to additional burdens of various types. The more effective the newly created War Production Board becomes in the performance of its functions, the sharper and the more painful will be the initial economic readjustments which must be made. The compensating factor will be that the sooner the necessary war equipment can be made available, the more rapidly the war will be brought to a successful conclusion.

Texas Business

In Texas, the setting has already been established for an economic reorientation, the full magnitude of which is as yet, in all probability, but dimly visualized even by those who occupy favorable points of vantage. The scope and character of the problems confronting the Nation are such that Texas inevitably must occupy a leading place in their solution. It is only necessary to name a few of the strategic war materials, actual and especially potential—such as petroleum, magnesium, various fibers, food products, and vegetable oils—to see how Texas automatically appears in the center of the picture in war production. Fortunately for the State and the Nation, the development of industries based on these products will have a peace-time importance comparable with their significance in the production of the instruments of war. In view of the epochal developments of the past six weeks, the articles by Mr. Elmer H. Johnson on Texas resources and industry, which have appeared in the Review for the past several years, take on new significance.

The influence of the rising tempo of war production is already being felt in Texas to a marked extent, as is evidenced by the following groups of index numbers:

INDEXES OF BUSINESS ACTIVITY IN TEXAS

(Average Month, 1929=100%)

	Dec., 1941	Dec., 1940	Nov., 1941
Employment	115.0	98.0	110.8
Pay Rolls	143.0	106.2	135.3
Miscellaneous Freight Carloadings (Southwest District)	99.6	68.2	88.2
Runs of Crude Oil to Stills	212.5	203.9	229.9*
Department Store Sales	120.5	108.9	113.0
Consumption of Electric Power	174.2	141.2	162.3*
COMPOSITE INDEX	132.9	107.0	126.3*

*Revised.

A rise of five per cent in the composite index from November to December is one of the sharpest on record, and the year-to-year margin of twenty-four per cent is also at the maximum. Of the factors composing the index, pay rolls, carloadings, and electric power consumption made the greatest gains over December, 1940. The pay-rolls index increased more than five per cent from November to December, and the gain over December, 1940, was more than thirty-four per cent. The miscellaneous freight carloadings index rose more than thirteen per cent from November to December, and was more than forty-seven per cent above the year before; while the index of electric power consumption increased more than seven per cent from November to December, and was more than twenty-three per cent higher than in December, 1940.

With the huge new defense industries rapidly coming into production, with the demand that agriculture increase its output to meet the war requirements for foods, fats, and fibers, and with pay rolls making new high records from month to month, further substantial increases in the indexes of Texas business during 1942 are definitely to be expected.

Farm Cash Income

Estimates of farm cash income in Texas during 1941 made in the September issue of the Review have been borne out with considerable precision. At that time, it was estimated that farm cash income for the year, exclusive of government subsidies, would approximate 650 million dollars. The computed cash income as shown in the table below is 596 million dollars, and if to this is added ten per cent, which is the estimated under statement of the computations (see footnote with table), the actual farm cash income for the year is found to be approximately 655 million dollars. Assuming government subsidies to be about the average of the two preceding years, the total spendable income of the farmers and ranchmen of the State for 1941 was approximately 750 million dollars, or well above that

For Other Texas Data, See Statistical Tables at the End of This Publication

of 1929. For reasons briefly outlined in the September issue of the REVIEW, the rural population of Texas enjoyed an even greater buying power in comparison with 1929 than is indicated by the increase in cash income.

INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

Average month 1928-'32=100%

Districts	Dec., 1941	Nov.,* 1941	Dec.,* 1940	Cumulative Income Year 1941 (000 Omitted)	Year 1940 (000 Omitted)
1-N	206.5	96.0	61.2	50,251	38,087
1-S	586.6	249.6	100.4	68,127	36,658
2	392.6	215.6	84.5	101,342	48,591
3	137.3	119.8	91.5	28,644	22,485
4	194.3	113.6	97.2	106,087	77,435
5	117.0	86.1	110.7	32,679	35,702
6	220.6	202.2	134.1	32,362	24,438
7	106.5	135.8	63.6	53,847	43,734
8	133.4	105.1	79.2	48,398	33,985
9	445.4	265.2	205.8	35,727	32,789
10	105.7	91.1	70.3	13,056	9,973
10-A	190.4	234.9	110.5	25,339	22,034
STATE	268.0	169.0	96.1	595,859	425,911

*Revised.

NOTE: Farm cash income as computed by this Bureau understates actual farm cash income by from 6 to 10 per cent. This situation results from the fact that means of securing complete local marketings, especially by truck, have not yet been fully developed. In addition, means have not yet been developed for computing cash income from all agricultural specialties of local importance in scattered areas throughout the State. This situation, however, does not impair the accuracy of the *indexes* to any appreciable extent.

December farm cash income of 68 million dollars was almost three times that of the corresponding month of 1940. The major portion of this sharp rise in income is attributable to the marketings of cotton and cottonseed in Districts 1-S and 2, (the South High Plains and the area adjacent to it on the East). The total farm cash income from cotton and cottonseed in these two districts was more than 30 million dollars in December, 1941; whereas, in the corresponding month of 1940 it was only 4.1 million. Another major factor contributing to the large December income was the income from livestock and livestock products. Income from cattle and calves, totaling nearly 11 million dollars for the month, was almost double that from these sources in December, 1940; and income from eggs shipped out of the State, of more than three million dollars, was seventeen times as large as the $184,000 from this source during the preceding December. Most of these eggs were shipped in powdered form.

Present indications point to a total of farm cash income in Texas during 1942 well in excess of that for the year just closed. A level of farm prices higher than the average for the past year is practically certain: marketings of livestock and livestock products are expected to be larger than in 1941: and, although it is not possible to forecast the production of such cash crops as cotton and wheat this early in the season, it is not likely that the output of either of these crops will be less than the moderate production of 1941. On the contrary, the chances are that if we assume an equal acreage and average yield, production of these crops this year is likely to exceed that of the past year, and prices of both cotton and wheat are almost certain to average higher.

F. A. BUECHEL.

What the War Production Program Means

Careful and discriminating consideration of what the American war program means is one of the truly important things of current affairs; this program, in its wider implications and broader aspects, looms up as one of the really big trends that any people anywhere has ever witnessed. The program is something which cannot be gauged merely in dollars expended, important though that aspect is: it is something that cannot be appraised in terms familiar to economist or businessman or industrialist, in volume or kind or quality of production, important as these certainly are. This program of "full economic mobilization" is one involving the rapid acceleration of industrial development in the United States, and it of necessity must be on a scale the magnitude of which hitherto generally has not been appreciated. To perform this task effectively—and it has to be done and it will be done—will require a new dispensation of the American industrial pattern, a new and broadened outlook of America's status in international affairs, and most of all the possibilities of the further industrialization of the United States as based upon its natural resources and the potentialities of fuller economic integration of its major economic regions. Full industrial integration and, consequently, a more optimum use of American natural resources can be achieved, once the broad implications of such a vast program are clearly perceived.

AN INDUSTRIAL REVOLUTION ENGENDERED BY WORLD WAR II

We are witnessing a new phase of industrial evolution which may well be as truly revolutionary as was the Mechanical Revolution that grew up in England during the latter part of the 18th century, and which spread its transforming agencies and institutions to world-wide proportions during the 19th century. This industrial revolution taking place before our eyes is a cumulative development which reaches into new regions of the countries of the world and utilizes new resources on a scale never before seen, and its consequences are of an order of magnitude that enables it to reach directly into every portion of the globe, and to work therein its transforming developments.

We are witnessing the rise of new aspects of human institutions—the crystallization of new concepts—which

are revolutionary in their present status and will be even more revolutionary in years to come. We are witnessing revolutionary changes in our concepts as to the basic importance of natural resources, or the vital significance of raw materials, or the life and death struggle of new technologies. Perhaps, too, we have begun to question the theoretical abstractions so subtly propounded that in too many cases they were taken for granted.

We shall have to appraise America anew—both as to its great advantages and the obstacles as well—obstacles of a tangible sort and those that are more subtle in character, that necessarily must be surmounted. We shall have to appraise anew America's place in world affairs—its position economically and otherwise, together with the responsibilities thus entailed and the potentialities and possibilities thus made apparent. To deal with the global aspects of a war, of the proportions this one is, necessarily means the attainment of a new level of outlook—one truly world-wide in actual grasp; to deal successfully with a thoroughly mechanized world war—on the land, in the water, in the air over large areas, and at long distances—means the acquisition of new attainments of technology on the one hand and new levels of organization required to meet external challenges no less than internal ones, on the other.

It is to some of the internal problems of the war program—and the consequences thereof—that this paper is particularly directed. It is much too early to consider the pattern of post-war readjustments; and it will be so until the essentials of these revolutionary changes occasioned by the war are more fully grasped and comprehended. Anyway, the post-war readjustments will grow out of the gigantic war program and its consequences, based upon such essentials as raw materials, the envolving industrial pattern and the economic position of the United States in world affairs. The status of the United States now and in the post-war world will be determined by the comparative position of the nation in the World's Power Belt, as outlined in a previous article in this series.

The war program to date has wrought a greater degree of integration to the economy of the United States than could have been imagined only a few years back, although a fuller integration is likely to be required. It certainly would add tremendously to America's war effort. And this program is crystallizing potentialities (and deficits in materials as well) on a scale so wide and with implications so astounding that it is well to pause and consider what some of these developments mean now, and of what they inevitably will mean in the near future. As to deficits, it will come to be increasingly apparent that no nation at war has too much of any raw materials—or that no nation at was has ever enough of everything. To a nation at war there are few commodities or materials that are not strategic. As Eugene S. Duffield and William F. Kerby wrote in *The Wall Street Journal* of December 26, 1941:

> Are the predicted shortages going to prove real? They are. Just as surely as the tires of 30 million automobiles are wearing out, the shortage of tires is approaching. Just as surely as warships are plying the Pacific and warplanes are patroling the Atlantic, the shortage of gasoline and oil is approaching. The average American is going to learn what it means to be rationed.
>
> Most Americans, apparently, cannot quite believe what is in store for them. They are misled by an apparent plenty in the midst of warnings as to the future. In a big industrial country there are always heavy stocks of raw materials and manufactured goods in process or in transit. These stocks will lessen the initial shock. They will give the average American an economic Indian Summer before the winter winds of a real war economy begin to bite.

No one doubts the outstanding significance or the absolute necessity of industry to the United States, even though many aspects and implications of industry may as yet be perceived but dimly. But of the impact of modern industry upon the nation as a whole, and upon its numerous major economic regions, of the insatiable requirements industry has for an ever-increasing volume and variety of raw materials, not just a few, but a multitude of such raw materials—many of which we belatedly recognize now as having their sources overseas—and of the absolute necessity for applying to industry the very best and most effective technology possible—these things perhaps are not as yet perceived as plainly as is to be desired. But, at least, no one now is "talking" of the desirability of having a moratorium placed on new inventions and discoveries. Certainly the rubber industry or the owners of America's passenger cars, trucks, and commercial vehicles do not feel that technology has been carried too far.

There exists nowhere even a fairly good scientific analysis or thorough-going economic appraisal getting down to brass tacks of the potentialities, as to the broader scope or as to particular industries, of the United States for production operations. There exist studies based upon high-sounding theoretical considerations that serve but to remove the truth a few steps farther on. And the same thing can be said regarding the raw materials needed from elsewhere in the world in order that these potentialities may be effectively translated into action—into steel and concrete, airplanes or armaments, and the like. The long series of steps, complex in detail and requiring certain raw materials not present in the United States, involved in making modern alloy steels is a case in point. Commercially minded industry itself has just taken things for granted, and especially those things outside its own "special" bailiwick. Research-minded industries have gone much farther; otherwise, we would indeed be much worse off as regards synthetic rubber or the new plastics and synthetic fibers, or the new sources of raw materials from petroleum and natural gas upon which a vast new synthetic organic chemical industry is being built.

But the bigger problem—that of understanding the potentialities of the United States and of its many regions economically integrated, of perceiving the greater possibilities of industry development and industrial integration in the light of American natural resources and raw material requirements, and the necessities engendered by the interdependence of major industries—still merits considerable economic analysis based upon the superimposition of institutional factors—advancing technology

and more effective economic organization, to take but two—on America's vast natural resources and the combinations thereof as required by modern industry. It will be necessary to differentiate in a thorough and discriminating manner between the so-called institutional approach to economic problems (and this approach is all important if we go to the substantial bases beyond the grandiloquent concepts this approach so often utilizes) and the "concrete" approach of the natural scientist and the technologist. It is not a question of either—or but of the pragmatic combination of the two, translated concretely in added productivity.

Until there is a common understanding of the American potential, as revealed by thorough-going scientific studies and analyses, and of the stupendous possibilities of, as well as problems and difficulties concerned in translating these potentials into actual production, we shall see in the perspective of the future—a week hence, or months, or years—numerous bottlenecks and shortages and discrepancies that might well have been avoided with reasonable foresight—but of foresight based not upon past performances, but upon the great challenges that must be met—or else. There are no precedents capable of supplying the full picture. The task ahead is so broad and so complex as to constitute its own precedents, as it were. Whatever industries or activities in the present look for precedents to guide them fully may be regarded, by this very attitude, as having concluded that their future is behind them.

Specific industries being revolutionized are numerous—oil refining, the production of aluminum and magnesium, the synthetic organic chemicals industry; other industries playing vital parts in a vast expansion program include alloy steels, electricity, pulp and paper, and plastics. The preponderance of American developments in these lines has come in the comparatively short time since World War I.

These can be considered under three major groupings: the new chemicals and new chemical raw materials, electricity, and the new metals, including alloy steels. The vital significance of these groups is not limited to the United States; they are of vital importance in industrial undertakings the world over—and doubly so in the nations engaged or which will be engaged in the war. But these three major groups nowhere stand isolated—instead they are all closely interrelated—so much so that any modification of one, or the appearance of difficulties in even a remote element in one of them in many cases reverberates throughout the entire field of new chemicals, new metals, and electricity. In fact, a bottleneck in one of the items of these major groups may prove to be a decisive factor in holding up a whole series in the vital lines of production. Consider, for instance, the fact that the American chemical industry grew out of the circumstances of World War I and that its rapid expansion on an ever broadening front in the post-war decades made its progress appear little less than phenomenal. In the war program the chemical industry must be greatly expanded; its production very substantially accelerated. But, as Sydney B. Self wrote in *The Wall Street Journal*, January, 1942: "The chemical program this year will be limited more by available allotments of alloy steels and available electric power than by estimates of the nation's probable eventual requirements."

Texas and the Southwest

Where does Texas come in? At long last it is becoming so obvious as to be cruelly plain that happenings on the other side of the world can and do affect the life and business and well-being of people in Texas. And it is patent to the nation at large, as well as to Texas leadership, that Texas' natural resources and geographic advantages occupy a vital part in the war production program. But how widely and how deeply, it may well be asked, have the potentialities of Texas been considered in translating the demands of the time into the actualities of materials and machines that will have to be forthcoming in the nation's all-out war effort. What, it may be asked, will be the reactions of thinking people in the future concerning the fact of the lack of informed interest in the basic aspects of Texas' capacity to produce. Above all things, complacency henceforth cannot be the order of the day, in any part of the United States, in any undertaking, or in any business. And, likewise, it is becoming sharply apparent that economic trends and industrial movements elsewhere in the United States are of vital importance to the people of Texas—so vital that these trends and movements must be considered as among the most "practical" of things that influence day to day happenings, as among the most significant and powerful of factors determining our entire economic life and all that that implies. We have been prone to consider industrial developments in the South, in the Southeast and in the Southwest, as merely geographic shifts of already established industries; that most of these developments began as such is not to be questioned—no more than is the case for the shifts of textile factories, and of the iron, and later the steel industry from England to eastern United States. And some of the developments of industry into the South remain as merely branches of industries preponderantly situated elsewhere, as for instance the Birmingham steel industry, at least until recently.

The Industrial Revolution Comes Into the South

But for certain other industries the analogy no longer holds; in others a remarkable change is now in progress. The oil and natural gas industries of the Southwest (including California) constitute preponderantly the oil and gas industries of the nation at large. The pulp and paper industry of the South is preponderantly the pulp and paper industry of the United States. In the chemical industry the develoments have not gone as far—not as yet. But when and if the potentialities of the Southwest's great oil and natural gas resources are properly appreciated, not only as fuel and energy bases for a vastly expanded chemical industry in the Southwest, but also for their potentialities in furnishing hydrocarbons as raw materials for new and rapidly growing

synthetic organic chemicals industry, then the picture will indeed be a greatly transformed one.

We must consider the fact that much of the industrial development that is so vital in today's hour of need has come since 1914–18—in the two decades following World War I. And, that nowhere in the United States have these developments been relatively, perhaps actually, more important or more revolutionary, industrially considered, than in Southeastern United States and the Southwest. These industries, let it be re-emphasized, are industries of national import; they are industries which go a long way in supplying the national market, vast though that demand is. Furthermore, these industries in the South, in the Southeast and in the Southwest, are newly established industries; they are so new that sufficient time has not elapsed to allow a broader appreciation of their possibilities in these regions, or of the potentialities of further vast expansion of these and other industries, which the Southeast and the Southwest possess owing to their natural resources awaiting higher levels of utilization.

The pulp and paper industry in the Southeast, particularly, has its counterpart in Arkansas and Louisiana and eastern Texas. The rapid expansion of Kraft pulp and paper in the Southeast in the 1920's was succeeded by startling innovations in the 1930's that have affected the Southwest as well as the Southeast, and stand to affect these regions still more.

The spectacular development of the oil and natural gas industry so fundamentally important in the Southwest in the 1920's and 30's had its effects upon the Southeast owing to the pipeline transfer of natural gas and the coastwise transportation of fuel oils, particularly; but the Southeast had almost as spectacular a development in its hydroelectric power program, of which T.V.A. is the outstanding example. The basic significance of oil and natural gas to the economy of Texas is generally appreciated, but the appreciation looks to the accomplishments of the past rather than to the challenges of the future. The significance of Texas and Southwestern oil and natural gas in the national economy is not generally appreciated, and particularly so outside the Southwest. Texas and Southwestern oil and natural gas will however get more attention and consideration in the future—because of the essential requirement of these resources in the war program. It might be noted that German controlled continental Europe (west of the Russian battle line) embraces industrial control of one of the world's great aggregations of mineral resources; this large territory is not, however, important in oil production. And because it has little oil, the essential needs of the German war machine sought to conquer the great Russian oil reserves; the great reserves of Iran and Iraq now constitute one of the greatest prizes the German war machine could hope to secure.

The vast development of the aluminum industry in the Southeast in the late 1920's and 1930's has its counterpart in the current vast magnesium expansion in the Southwest.

The remaking of the textile map of the Southeast due to the rise of the synthetic fiber industries in the late 1920's and their rapid growth through the 30's had its counterpart in the gigantic development of the heavy chemicals in the Southwest during the 1930's.

The development of electro-chemicals and particularly the ferroalloys using T.V.A. power has its southwestern counterpart in the development of a steel industry in the Southeast.

The installation of powder and explosives plants in the Southeast has its counterparts in the Southwest, and the Southwest has also an important airplane industry. And the same sort of analogy applies to shipbuilding activities particularly along the Gulf Coast from the Houston Ship Channel to Mobile, Alabama.

The larger point however is that all of these industries are no longer local undertakings—they have grown to be national in scope of their importance and today vital to the nation at large in its war program. They will have fully as important a part to play in the post-war period.

Nor is this all. In the light of the larger trends, with the background of wider movements national in scope, and with the aid of technology that knows no boundaries, political or otherwise, the potentialities of the natural resources of the Southeast as well as the Southwest must be reappraised—which means that they must be scientifically evaluated in relation to what they can contribute to the national need, now and later.

Oil and Natural Gas Fundamental in Texas and the Southwest

Oil and natural gas from Texas and the Southwest are vital today to the nation at large, and they are vital beyond our national boundaries; but to Texas and the Southwest oil and natural gas are fundamental—so fundamental and so basic that were their true significance more widely comprehended, we most assuredly would witness a new appreciation paid them. For instance, physical waste in oil and natural gas has bee ngiven wide consideration; of chemical waste of these vital materials we have hardly heard the word! Higher chemical utilization of these hydro-carbons stands as one of the greater challenges of today—challenges which cannot be neglected, for any length of time.

The strategic nature of oil and natural gas is indicated in the following quotation from an article by Sydney B. Self entitled "Chemicals in War: Industry Gets Ready for Its Biggest Task; Will Add New Plants. Its Products More Important to Arms Than Ever Before—Mass Output Developed. Synthetic Rubber First Job," in *The Wall Street Journal*, January 21, 1942:

> One of the biggest jobs that must be done this year is to build plants to make more T.N.T. Powder is used to propel shells, but the shells and bombs dropped by planes need a high explosive charge of T.N.T. or even more lethal compounds. The bulk of the powder and explosives compound program is being run by du Pont, Hercules Powder and Atlas.
>
> Our 125,000 new planes to be effective weapons must have a plentiful supply of T.N.T. for bombs and probably the British

and Russians will want large amounts too. So the requirements have gone up by leaps and bounds. Something like 2 million pounds of T.N.T. production at least will be needed daily, to the tune of 700,000,000 pounds or 350,000 tons a year. Probably the needs of the complete program will be several times this.

T.N.T. is tri-nitro-toluol made from toluol and nitric acid. About 10 pounds of T.N.T. can be made from a gallon of toluol, so we need at least 70 million gallons annually right away and will probably need 300 or 400 million gallons annually before we are through.

Burden on Oil Industry

The burden of this production will fall on the oil industry, with Shell, Texas Corp. and Humble among the leaders.

Petroleum and its gases more than ever before are carrying a major share of the war munitions load. Not only is it going into high octane gasoline, into the new synthetic rubber, and into industrial alcohol, but into raw materials for explosives which used to be made from coal tar.

In the last war, all of the ammonia for powder and all the toluol came from coal. In this war all of the new plants are using petroleum products to make both ammonia and toluol. If it were not for our large oil reserves and our well developed chemical oil cracking processes, we would be unable to make the huge amounts of these materials we need.

If all our organic chemicals had to come from coal laboriously mined instead of from gas or petroleum pumped from the ground, many more workers would be required.

The new chemical program getting under way this year to the tune of $1 billion will all have to be financed with government funds.

Conservation, an Essential Today and Tomorrow

In the war production program conservation looms up as one of the over-all factors in practically every situation. Two large developments already underway have to do with natural gas. At the large McKamie gas field in Lafayette County, Arkansas, Carter Oil Co. (subsidiary of Standard Oil of New Jersey) is building a desulphurization plant which will process sour gas; the "cleaned" gas will be used for fuel, the by-products thus secured will be processed by Freeport Sulphur Co. This will be one of the first units of what may become a widespread program to utilize commercially what is now waste gas—"sour" gas now burned in flares over field after field.

Another phase of conservation is that reported to be practiced by Dow Chemical at Freeport. Sydney B. Self in *Barron's*, September 15, 1941, wrote of this situation as follows:

> It has been said that one of the chief reasons why Dow Chemical Co. located its great sea water magnesium plant in Texas near the oil and gas fields was because of its interest in ethylene. Dow has always been a leader in resourcefulness in chemical research and has built its whole success on changing unprofitable materials into something more desirable, and on using all of its by-products to the fullest advantages. One of the features of its magnesium process is said to be the fact that natural gas is used as a fuel, but before it is burned Dow extracts the ethylene and butadiene and other materials, so that the remainder burned costs nothing.

Both butadiene and ethylene can be produced from natural gas. Butadiene, a hydro-carbon, is one of the essentials in making synthetic rubber of the buna-type. Buna-S, one of the synthetic rubbers well suited to the making of tires, is made from polymerizing butadiene and styrene. Butadiene can be made from natural gases or petroleum gases. Styrene can be made by combining ethylene (derivable from petroleum gases, or from natural gas) and benzene (which can be made from benzol, a cheap and abundant coal tar derivative).

The importance of chemical raw materials from petroleum or natural gas can be illustrated in other developments. As Self summarizes in the article of September 15 quoted from above:

> Future uses for ethylene built up out of petroleum molecules provide the reason why it is believed that some day Dow's Freeport, Texas, plant may be bigger than its Midland, Mich., plant, now the biggest single chemical plant in the world. This is also the reason why Union Carbide has located one of its major developments at Texas City, Texas.
>
> Increasing interest in ethylene and in petroleum as a starting point will undoubtedly be shown by an increasing number of leading chemical companies over the coming year.

Elmer H. Johnson.

CEMENT

(In Thousands of Barrels)

	Dec., 1941	Dec., 1940	Nov., 1941	Year 1941	Year 1940
Texas Plants					
Production	829	602	779	9,679	7,374
Shipments	844	592	850	9,843	7,383
Stocks	739	892	754	.....	.....
United States					
Production	13,810	11,147	14,931	164,029	130,349
Shipments	11,511	8,192	13,724	135,597	130,404
Stocks	19,937	23,305	17,624	.....	.....
Capacity Operated	64.8%	50.9%	72.7%	.....	.....

Note: From U.S. Department of Interior, Bureau of Mines.

COMMODITY PRICES

	Dec., 1941	Dec., 1940	Nov., 1941
Wholesale Prices:			
U.S. Bureau of Labor Statistics (1926=100%)	92.6	80.0	92.5
Farm Prices:			
U.S. Dep't of Agriculture (1910–14=100%)	143.0*	101.0	135.0
U.S. Bureau of Labor Statistics (1926=100%)	94.7	69.7	90.6
Retail Prices:			
Food (U.S. Bureau of Labor Statistics, 1935–39=100%)	113.1*	97.3	113.1
Department Stores (Fairchild's Publications, January 1931 =100%)	108.3	93.9	107.5

*Preliminary.

Cotton Vital in the Economy During 1942

Cotton is due to play an increasingly important role during the year ahead. It is to do that because of a number of important reasons: (1) cotton can be and should be a very strong brake against run-away inflation—cotton has a very wide range of civilian as well as war uses and is capable of being substituted for many other commodities of which there is a shortage either now or potentially; (2) there is a burdensome surplus of cotton in the United States that has been a threat to the cotton growers for years which can and should be fed into the market with the doubly laudable purposes of supplying the Government and the civilian population a large volume of goods at reasonable prices and to remove the surplus now hanging over the market; (3) cotton manufacturing, the clothing industry which goes with it, and the distribution of cotton goods are together the greatest source of employment in the United States and the world. In the South, in particular, where many small enterprises are being closed because they are unable to handle war contracts, the high rate of employment in the cotton textile industry and the clothing industry is invaluable as a stabilizing influence. (4) The use of a substantial portion of the Government-owned cotton on Lease Lend to our allies in the war will be an important factor in winning the war by supplying them with essential war materials and civilian employment and goods. It will tend to hold down foreign prices of raw cotton in foreign markets and thus tend to prevent over-stimulation of production of raw cotton in foreign countries.

The Commodity Credit Corporation through its ownership and control of a large share of the supply of cotton in the United States is in a strategic position relative to cotton in the months ahead. On January 13 it announced that it would make its holdings of about 5,250,000 bales available to the market on the basis of nineteen cents for M. 15/16 in warehouses at main Carolina mill points. This price was slightly under the market for that cotton on the day the announcement was made. This price is high enough to pay the farmers well at present general price levels and the market for goods is probably strong enough to take all the mills can manufacture running at maximum capacity. It is both patriotic and sound economics to feed the cotton surplus into the market during the war emergency.

Present prices of cotton are high enough to stimulate a substantial increase in cotton acreage under favorable weather conditions. In this connection, the importance of cottonseed both as a food and feed crop will doubtless not be undervalued as it has been in recent years in arriving at cotton policies. The fact is, the cotton policy of the United States would have been sounder in the past if a pro-rata part of the subsidy had been allotted to cottonseed.

A. B. Cox

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF JANUARY 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Jan. 1	Government Estimate as of Dec. 1*	Total	Consumption to Jan. 1	Exports to Jan. 1	Total	Balance Jan. 1
1932–1933	9,682	38	12,727	22,447	2,342	4,246	6,588	15,859
1933–1934	8,176	55	13,177	21,408	2,415	4,180	6,595	14,813
1934–1935	7,746	49	9,731	17,526	2,134	2,399	4,533	12,993
1935–1936	7,138	42	10,734	17,914	2,424	3,461	5,885	12,029
1936–1937	5,397	57	12,407	17,861	2,897	3,177	6,074	11,787
1937–1938	4,498	40	18,746	23,284	2,644	3,185	5,836	17,448
1938–1939	11,533	65	12,008	23,606	2,799	1,902	4,701	18,905
1939–1940	13,033	57	11,792	24,882	3,310	3,134	6,444	18,438
1940–1941	10,596	48	12,686	23,330	3,579	601	4,185	19,140
1941–1942	12,367	†	10,976	23,343	4,441	—	4,441	18,902

*In 500-lb. Bales.
†Not available.
The cotton year begins August 1.

EMPLOYMENT AND PAY ROLLS IN TEXAS

December, 1941

	Estimated Number of Workers Employed*		Percentage Change from		Estimated Amount of Weekly Pay Roll		Percentage Change from	
	November 1941[1]	December 1941[2]	November 1941	December 1940	November 1941[1]	December 1941[2]	November 1941	December 1940
MANUFACTURING								
All Manufacturing Industries	155,501	156,319	+ 0.5	+11.7	3,476,491	3,580,119	+ 3.0	+29.6
Food Products								
Baking	7,002	7,058	+ 0.8	+13.1	161,438	161,889	+ 0.3	+21.8
Carbonated Beverages	3,099	2,981	− 3.8	+12.4	77,524	77,048	− 0.6	+26.6
Confectionery	1,115	1,223	+ 9.7	+28.5	11,176	13,307	+19.0	+42.6
Flour Milling	1,891	1,935	+ 2.3	+ 3.8	34,414	36,924	+ 7.3	+13.8
Ice Cream	1,015	980	− 3.5	+27.6	19,858	19,488	− 1.9	+25.5
Meat Packing	5,419	5,434	+ 0.3	+11.9	130,308	131,976	+ 1.3	+25.5
Textiles								
Cotton Textile Mills	6,932	6,974	+ 0.6	+ 9.6	119,498	120,827	+ 1.1	+34.4
Men's Work Clothing	3,973	4,068	+ 2.4	+10.9	53,557	56,084	+ 4.7	+46.7
Forest Products								
Furniture	2,410	2,377	− 1.4	+15.9	46,779	49,012	+ 4.8	+36.5
Planing Mills	2,217	2,174	− 1.9	− 7.5	54,536	58,184	+ 6.7	+18.1
Saw Mills	17,469	17,485	+ 0.1	+ 4.2	247,529	244,050	− 1.4	+19.5
Paper Boxes	710	720	+ 1.4	+18.5	14,510	15,121	+ 4.2	+50.3
Printing and Publishing								
Commercial Printing	2,496	2,586	+ 3.6	+ 9.8	55,105	59,708	+ 8.4	+10.6
Newspaper Publishing	4,798	5,123	+ 6.8	+ 0.7	120,322	138,493	+15.1	+ 2.8
Chemical Products								
Cotton Oil Mills	4,144	4,032	− 2.7	+ 0.4	45,575	42,902	− 5.9	+13.0
Petroleum Refining	21,630	21,786	+ 0.7	+ 9.2	824,891	860,574	+ 4.3	+25.4
Stone and Clay Products								
Brick and Tile	2,130	2,170	+ 1.9	+ 4.9	30,282	29,830	− 1.5	+16.9
Cement	1,395	1,239	−11.2	+42.0	41,259	39,232	− 4.9	+50.2
Iron and Steel Products								
Foundries and Machine Shops	15,227	15,193	− 0.2	+37.1	496,983	506,914	+ 2.0	+64.8
Structural and Ornamental Iron	2,628	2,657	+ 1.1	+20.8	55,814	58,427	+ 4.7	+36.9
NONMANUFACTURING								
Crude Petroleum Production	30,521	30,406	− 0.4	+ 2.7	1,128,395	1,128,395	+ [3]	+17.1
Quarrying	[4]	[4]	− 0.7	+31.3	[4]	[4]	− 1.2	+55.1
Public Utilities	[4]	[4]	− 0.1	+ 9.3	[4]	[4]	+ 1.1	+14.8
Retail Trade	209,093	244,633	+17.0	+ 8.3	3,913,793	4,374,669	+11.8	+ 8.6
Wholesale Trade	67,000	66,648	− 0.5	+ 9.6	2,034,040	2,071,145	+ 1.8	+ 7.3
Dyeing and Cleaning	2,782	2,696	− 3.1	+15.9	40,890	39,777	− 2.7	+26.1
Hotels	15,655	15,728	+ 0.5	+ 5.8	193,037	193,037	+ [3]	+ 9.8
Power Laundries	11,865	11,724	− 1.2	+14.4	147,550	147,728	+ 0.1	+15.4

CHANGES IN EMPLOYMENT AND PAYROLLS IN SELECTED CITIES[5]

	Employment Percentage Change		Pay Rolls Percentage Change			Employment Percentage Change		Pay Rolls Percentage Change	
	Nov., 1941 to Dec., 1941	Dec., 1940 to Dec., 1941	Nov., 1941 to Dec., 1941	Dec., 1940 to Dec., 1941		Nov., 1941 to Dec., 1941	Dec., 1940 to Dec., 1941	Nov., 1941 to Dec., 1941	Dec., 1940 to Dec., 1941
Abilene	− 2.1	+13.4	− 2.3	+23.4	Galveston	+ 1.1	−12.8	+ 0.1	−10.3
Amarillo	− 1.6	+10.1	+ 1.8	+24.6	Houston	+ 3.4	+18.0	+ 6.5	+27.8
Austin	+ 9.9	+16.0	+ 2.5	+ 8.6	Port Arthur	− 0.3	+ 3.6	+ 2.2	+21.0
Beaumont	+10.8	+90.7	+14.6	+134.3	San Antonio	+ 3.1	+ 5.1	+ 3.3	+15.0
Dallas	+ 6.4	+ 9.4	+ 3.7	+23.2	Sherman	− 1.5	+ 3.5	− 1.3	+14.8
El Paso	+ 2.8	+16.7	+ 2.7	+20.1	Waco	+ 5.5	+16.3	+ 2.7	+15.6
Fort Worth	+ 2.8	+16.4	+ 4.2	+29.3	Wichita Falls	+ 2.6	+12.6	+ 0.4	+34.8
					STATE	+ 3.8	+17.2	+ 5.7	+34.4

ESTIMATED NUMBER OF EMPLOYEES IN NONAGRICULTURAL BUSINESS AND GOVERNMENT ESTABLISHMENTS[6]

	1940[1]	1941[1]		1940[1]	1941
January	944,000	1,052,000	July	983,000	1,101,000[3]
February	943,000	1,092,000	August	988,000	1,113,000[3]
March	965,000	1,086,000	September	1,009,000	1,134,000[3]
April	963,000	1,097,000	October	1,022,000	1,141,000[3]
May	983,000	1,077,000	November	1,048,000	1,151,000[2]
June	982,000	1,084,000	December	1,084,000	

*Does not include proprietors, firm members, officers of corporations, or other principal executives. Factory employment excludes also office, sales, technical and professional personnel.

[1] Revised.

[2] Subject to revision.

[3] Less than 1/20 of one per cent.

[4] Not available.

[5] Based on unweighted figures.

[6] Not including self-employed persons, casual workers, or domestic servants, and exclusive of military and maritime personnel. These figures are furnished by the Bureau of Labor Statistics, U.S. Department of Labor.

Prepared from reports from representative Texas establishments to the Bureau of Business Research cooperating with the Bureau of Labor Statistics.

BUILDING PERMITS

	December, 1941	December, 1940	November, 1941	Year 1941	Year 1940
Abilene	$ 50,140	$ 74,855	$ 218,876	$ 1,100,925	$ 672,079
Amarillo	161,200	244,114	281,140	2,757,478	2,589,856
Austin	330,012	646,754	433,637	5,414,259	7,362,969
Beaumont	106,868	83,361	134,611	†	1,540,030‡
Big Spring	12,725	16,575	11,181	191,597	296,381
Coleman	582	8,400	9,750	181,641	239,130
Corpus Christi	163,012	247,070	302,119	12,062,331	8,099,857
Corsicana	11,625	3,331	3,500	165,042	169,570
Dallas	1,501,276	2,959,276	1,706,197	17,264,570	16,220,813
Del Rio	3,495	1,660	3,701	88,976	96,620
Denton	7,350	5,425	9,370	337,449	313,093
El Paso	190,556	134,050	204,142	3,088,363	3,057,179
Fort Worth	14,553,725(1)	186,681	311,086	19,680,171	4,850,672
Galveston	61,725*	40,958	901,161	5,255,587	2,083,922
Graham	1,950	2,952	3,730	101,840	90,987
Harlingen	37,600	45,760	18,005	420,545	401,041
Houston	1,045,155	3,155,628	1,178,341	19,215,441	24,073,888
Jacksonville	2,000	1,100	7,960	98,736	145,297
Kilgore	7,000	25,000	4,000	†	†
Longview	10,245	20,150	7,075	185,835	464,242
Lubbock	156,994	398,776	568,486	3,684,216	4,429,857
Lufkin	7,925‡	†	76,164‡	529,483‡	†
McAllen	16,500	8,285	7,785	199,911	325,293
Marshall	63,864	25,917	23,172	492,989	360,137
Midland	97,925	50,325	41,250‡	638,275‡	†
New Braunfels	4,595	130	7,215	†	†
Pampa	24,700	63,550	33,175	318,715	718,336
Paris	15,050	6,865	89,050	348,163‡	†
Plainview	6,450	3,000	12,074	†	96,876‡
Port Arthur	30,971	49,852	58,513	1,178,308	1,127,851
San Angelo	40,369‡	71,134‡	†	†	1,150,734‡
San Antonio	412,533	199,404	395,672	†	8,032,162‡
Sherman	37,672	16,781	21,201	406,288	435,234
Snyder	8,350	14,480*	11,600	†	†
Sweetwater	31,360	1,580	10,130	195,970	132,025
Temple	2,850‡	†	†	†	†
Tyler	147,956	174,612	54,918	901,118	972,391
Waco	64,257	80,867	107,093	2,849,309	2,562,982
Wichita Falls	866,136	887,829*	127,425	3,529,597	2,186,145
TOTAL	$ 20,243,554	$ 7,318,341	$ 9,885,853	$101,367,207	$ 84,477,847

*Does not include Public Works.
†Not available.
‡Not included in total.
(1)Includes bomber plant of $14,136,000.
NOTE.—Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

PETROLEUM

Daily Average Production

(In Barrels)

	Dec., 1941	Dec., 1940	Nov., 1941
Coastal Texas*	302,250	237,000	302,250
East Central Texas	87,470	81,550	86,700
East Texas	383,480	356,600	386,750
North Texas	140,350	137,000	140,350
Panhandle	92,300	77,950	84,900
Southwest Texas	224,240	189,900	226,200
West Texas	300,890	209,050	297,200
STATE	1,530,980	1,289,050	1,526,050
UNITED STATES	4,130,100	3,549,550	4,151,600

*Includes Conroe.
NOTE: From American Petroleum Institute.
See accompanying map showing the oil producing districts of Texas.

Gasoline sales as indicated by taxes collected by the State Comptroller were: November, 1941, 132,176,000 gallons; November, 1940, 113,448,000 gallons; October, 1941, 130,895,000 gallons.

DECEMBER RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	No. of Firms Reporting	Percentage Changes Dec., 1941 from Dec., 1940	Dec., 1941 from Nov., 1941	Year 1941 from Year 1940
TEXAS	983	+14	+36	+16
STORES GROUPED BY LINE OF GOODS CARRIED:				
APPAREL	104	+25	+55	+17
Family Clothing Stores	25	+27	+38	+22
Men's and Boys' Clothing Stores	36	+27	+66	+17
Shoe Stores	13	+28	+30	+17
Women's Specialty Shops	30	+21	+50	+16
AUTOMOTIVE*	57	−16	+ 7	+18
Motor Vehicle Dealers	54	−17	+ 5	+18
COUNTRY GENERAL	97	+23	+12	+15
DEPARTMENT STORES	52	+17	+60	+15
DRUG STORES	127	+10	+38	+11
DRY GOODS AND GENERAL MERCHANDISE	21	+19	+36	+13
FILLING STATIONS	39	+16	− 7	+13
FLORISTS	23	− 4	+53	+ 3
FOOD*	157	+25	+ 8	+12
Grocery Stores	51	+26	+13	+13
Grocery and Meat Stores	100	+24	+ 5	+10
FURNITURE AND HOUSEHOLD*	53	−(1)	+32	+15
Furniture Stores	44	+(1)	+31	+14
JEWELRY	24	+23	+198	+28
LUMBER, BUILDING, AND HARDWARE*	187	+28	− 5	+23
Farm Implement Dealers	9	+54	+ 1	+29
Hardware Stores	56	+34	+30	+23
Lumber and Building Material Dealers	120	+24	−17	+22
RESTAURANTS	28	+14	+ 4	+14
ALL OTHER STORES	14	+20	+31	+13
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:				
All Stores in Cities of—				
Over 100,000 Population	152	+14	+49	+15
50,000–100,000 Population	125	− 1	+24	+20
2,500–50,000 Population	459	+22	+30	+16
Less than 2,500 Population	247	+28	+12	+16

*Group total includes kinds of business other than the classifications listed.
(1)Change of less than .5%.
NOTE: Prepared from reports of independent retail stores to the Bureau of Business Research coöperating with the United States Bureau of the Census.

DECEMBER, 1941, CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

Destination*	Cars of Poultry: Live Chickens Dec. 1941	Live Chickens Dec. 1940	Live Turkeys Dec. 1941	Live Turkeys Dec. 1940	Dressed Chickens Dec. 1941	Dressed Chickens Dec. 1940	Dressed Turkeys Dec. 1941	Dressed Turkeys Dec. 1940	Cars of Eggs: Shell Dec. 1941	Shell Dec. 1940	Frozen Dec. 1941	Frozen Dec. 1940	Dried Dec. 1941	Dried Dec. 1940	Shell Egg Equivalent† Dec. 1941	Shell Egg Equivalent† Dec. 1940
TOTAL	1	1	17	43	29	38	450	593	10	5	46	31	91	1	830	75
Intrastate	0	0	0	0	0	0	2	16	4	0	0	2	12	0	100	4
Interstate	1	1	17	43	29	38	448	577	6	5	46	29	79	1	730	71

Receipts at Texas Stations

Origin																
TOTAL	0	0	0	0	0	11	2	6	155	44	1	4	12	0	253	52
Intrastate	0	0	0	0	0	8	1	6	2	1	0	0	12	0	98	1
Interstate	0	0	0	0	0	3	1	0	153	43	1	4	0	0	155	51

*The destination above is the first destination as shown by the original waybill. Changes in destination brought about by diversion orders are not shown.
†Powdered eggs and frozen eggs are converted to a shell egg equivalent on the following basis: 1 rail carload of powdered eggs = 8 carloads of shell eggs, and 1 carload of frozen eggs = 2 carloads of shell eggs.
NOTE: These data are furnished to the Agricultural Marketing Service, U.S.D.A., by railroad officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

DECEMBER RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Number of Firms porting	Percentage Change in Dollar Sales Dec., 1941 from Dec., 1940	Dec., 1941 from Nov., 1941	Year 1941 from Year 1940
TOTAL TEXAS	983	+14	+36	+16
TEXAS STORES GROUPED BY PRODUCING AREAS:				
District 1–N	52	+ 5	+20	+11
District 1–S	16	+22	+20	+17
District 2	73	+50	+23	+27
Abilene	10	+62	+49	+46
All Others	63	+45	+15	+22
District 3	32	+14	+38	+14
District 4	228	+11	+45	+15
Dallas	30	+13	+50	+13
Denison	10	+19	−48	+ 9
Denton	12	+ 6	+43	−(1)
Fort Worth	28	+12	+62	+19
Sherman	18	+14	+19	+13
Waco	27	+ 1	+29	+15
All Others	104	+11	+24	+15
District 5	99	+17	+33	+25
Tyler	13	+ 7	+52	+ 5
All Others	86	+21	+28	+27
District 6	41	−15	+10	+24
El Paso	28	−17	+10	+26
All Others	13	+16	+ 6	+ 5
District 7	58	+27	+32	+19
San Angelo	13	+22	+38	+26
All Others	44	+30	+27	+17
District 8	168	+16	+31	+19
Austin	15	+ 3	+12	+16
Corpus Christi	12	+25	+19	+26
San Antonio	47	+18	+39	+20
All Others	94	+18	+20	+16
District 9	129	+19	+45	+14
Beaumont	20	+18	+42	+22
Galveston	15	+ 9	+26	+22
Houston	47	+12	+47	+12
Port Arthur	11	+37	+56	+36
All Others	36	+28	+25	+15
District 10	36	+29	+27	+25
District 10–A	51	+14	+15	+17
Brownsville	13	+ 8	+12	+11
All Others	38	+15	+16	+19

(1)Change of less than .5%.
NOTE: Prepared from reports of independent retail stores to the Bureau of Business Research, coöperating with the U.S. Bureau of the Census.

TEXAS CHARTERS

	Dec., 1941	Dec., 1940	Nov., 1941	Year 1941	Year 1940
Domestic Corporations:					
Capitalization:*	$1,658	$1,392	$926	$12,552	$24,138
Number	63	81	77	835	1,282
Classification of new corporations:					
Banking-Finance	2	4	1	39	43
Manufacturing	10	16	9	117	230
Merchandising	6	15	14	176	346
Oil	12	7	8	94	168
Public Service	1	3	1	10	21
Real Estate Building	13	9	26	157	119
Transportation	2	8	0	26	64
All Others	22	18	18	221	292
Number capitalized at less than $5,000	28	27	24	322	533
Number capitalized at $100,000 or more	5	2	3	24	33
Foreign Corporations: (Number)	23	35	33	200	267

*In thousands.
NOTE: Compiled from records of the Secretary of State.

TEXAS COMMERCIAL FAILURES

	Dec., 1941	Dec., 1940	Nov.,* 1941	Year 1941	Year 1940
Number	13	19	16	252	287
Liabilities†	$170	$179	$1,445	$5,472	$6,952
Assets†	134	128	709	2,699	6,178
Average Liabilities per Failure†	13	9	90	22	24

*Revised.
†In thousands.
NOTE: From Dun and Bradstreet, Inc.

LUMBER

(In Board Feet)

	Dec., 1941	Dec., 1940	Nov., 1941
Southern Pine Mills:			
Average weekly production, per unit	293,585	304,935	309,318
Average weekly shipments, per unit	284,992	319,236	308,746
Average unfilled orders per unit, end of month	1,231,622	965,299	1,169,958

NOTE: From Southern Pine Association.

PERCENTAGE CHANGES IN CONSUMPTION OF ELECTRIC POWER

	Dec., 1941 from Dec., 1940	Dec., 1941 from Nov., 1941	Year 1941 from Year 1940
Commercial	+13.0	− 4.8	+15.5
Industrial	+31.8	+ 0.7	+17.3
Residential	+ 8.8	− 0.2	+10.9
All Others	+26.7	+ 1.3	+ 9.0
TOTAL	+21.9	− 0.7	+14.6

Prepared from reports from 10 electric power companies to the Bureau of Business Research.

DECEMBER CREDIT RATIOS IN TEXAS DEPARTMENT AND APPAREL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales 1941	1940	Ratio of Collections to Outstandings 1941	1940	Ratio of Credit Salaries to Credit Sales 1941	1940
All Stores	55	58.9	62.2	41.8	39.5	0.7	0.8
Stores Grouped by Cities:							
Austin	5	50.9	55.7	52.7	48.1	0.8	0.7
Beaumont	3	59.1	62.9	46.0	44.3	0.5	0.9
Bryan	3	52.2	57.7	36.0	40.0	2.1	2.3
Dallas	8	66.6	69.2	58.0	37.9	0.5	0.5
Fort Worth	6	57.6	62.2	41.4	36.2	0.7	0.6
Houston	6	59.0	60.3	41.1	41.4	0.9	0.9
San Antonio	4	50.1	55.1	47.0	45.8	1.0	0.9
Waco	4	53.0	54.4	42.5	35.0	1.3	1.1
All Others	16	53.3	56.5	43.8	40.2	0.9	0.9
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over $500,000)	15	57.5	61.0	42.8	40.4	0.8	0.7
Department Stores (Annual Volume under $500,000)	9	53.5	54.2	46.5	37.6	1.0	1.1
Dry-Goods-Apparel Stores	3	56.0	58.5	49.3	46.7	1.3	1.4
Women's Specialty Shops	15	66.2	68.5	37.7	36.5	0.4	0.5
Men's Clothing Stores	13	58.7	63.7	42.6	40.3	0.9	0.8
Stores Grouped According to Volume of Net Sales During 1940:							
Over $2,500,000	8	59.9	64.1	40.5	42.4	0.7	0.6
$2,500,000 down to $1,000,000	7	58.0	60.3	43.9	42.3	0.8	0.9
$1,000,000 down to $500,000	9	51.7	54.2	43.7	40.7	0.9	0.9
$500,000 down to $100,000	25	51.3	53.9	45.3	42.8	1.0	1.1
Less than $100,000	6	52.0	57.1	42.7	42.9	1.9	1.8

NOTE: The ratios shown in the order in which they appear from left to right are obtained by the following computations: (1) Credit Sales divided by Net Sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the Credit department divided by Credit Sales. The data are reported to the Bureau of Business Research by Texas retail stores.

DECEMBER SHIPMENTS OF LIVE STOCK CONVERTED TO A RAIL-CAR BASIS*

	Cattle 1941	1940	Calves 1941	1940	Hogs 1941	1940	Sheep 1941	1940	Total 1941	1940
Total Interstate Plus Fort Worth¶	3,764	2,509	1,174	899	674	708	336	192	5,948	4,308
Total Intrastate Omitting Fort Worth	346	308	104	93	70	22	46	23	566	446
TOTAL SHIPMENTS	4,110	2,817	1,278	992	744	730	382	215	6,514	4,754

TEXAS CAR-LOT¶ SHIPMENTS OF LIVE STOCK FOR YEAR 1941

	Cattle 1941	1940	Calves 1941	1940	Hogs 1941	1940	Sheep 1941	1940	Total 1941	1940
Total Interstate Plus Fort Worth¶	43,591	47,214	12,748	13,678	9,503	8,359	9,125	11,462	74,967	80,713
Total Intrastate Omitting Fort Worth	5,937	5,134	1,596	1,146	195	239	1,126	1,000	8,854	7,519
TOTAL SHIPMENTS	49,528	52,348	14,344	14,824	9,698	8,598	10,251	12,462	83,821	88,232

*Rail-car Basis: Cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.

¶Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

NOTE: These data are furnished the Agricultural Marketing Service, U.S.D.A. by railway officials through more than 1,500 station agents, representing every live stock shipping point in the State. The data are compiled by the Bureau of Business Research.

BANKING STATISTICS

(In Millions of Dollars)

	December, 1941		December, 1940		November, 1941	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts	$ 1,395	$50,364	$ 1,250*	$51,424*	$ 1,511*	$55,550*
Condition of reporting member banks on—	December 31, 1941		December 31, 1940		December 3, 1941	
ASSETS:						
Loans and investments—total	687	30,085	581	25,527	678	29,691
Loans—total	374	11,370	318	9,390	362	11,259
Commercial, industrial, and agricultural loans	256	6,728	219	5,018	250	6,593
Open market paper	2	423	1	301	2	428
Loans to brokers and dealers in securities	11	537	5	584	5	548
Other loans for purchasing or carrying securities	16	422	14	465	14	427
Real estate loans	22	1,258	23	1,230	23	1,256
Loans to banks	---	35	---	37	---	38
Other loans	67	1,967	56	1,755	68	1,969
Treasury Bills	35	883	27	611	44	990
Treasury Notes	39	2,535	38	2,129	43	2,522
U.S. Bonds	138	8,667	99	6,979	126	8,348
Obligations fully guaranteed by U.S. Gov't	40	2,964	40	2,743	40	2,922
Other securities	61	3,666	59	3,675	63	3,650
Reserve with Federal Reserve Bank	190	9,825	150	11,797	194	10,575
Cash in vault	15	555	12	535	14	554
Balances with domestic banks	288	3,255	282	3,462	295	3,344
Other assets—net	32	1,153	30	1,211	32	1,214
LIABILITIES:						
Demand deposits—adjusted	602	23,650	508	22,299	620	24,324
Time deposits	133	5,348	136	5,432	134	5,390
U.S. Government deposits	44	1,495	30	474	32	846
Inter-bank deposits:						
Domestic banks	334	9,040	287	9,065	327	9,405
Foreign banks	1	656	1	692	1	655
Borrowings	---	1	---	---	---	3
Other liabilities	6	770	4	748	6	828
Capital account	92	3,913	89	3,822	93	3,927

*Five weeks.
NOTE: From Federal Reserve Board.

ANNOUNCEMENT

PROGRESS REPORT NO. 1—"FAMILY EXPENDITURES AND PER CAPITA CONSUMPTION IN NINE TEXAS COMMUNITIES"

By

F. A. BUECHEL and EDWARD R. DEDEKE

The first of a series of studies relating to family expenditures, per capita consumption, and consumer habits and preferences is now ready for distribution. This report entitled, "Family Expenditures and Per Capita Consumption in Nine Texas Communities" is based on surveys made by the Bureau of Business Research in Austin, Brownwood, Gladewater, Goose Creek, Lockhart, Lubbock, Marshall, Midland, and New Braunfels, and includes widely scattered communities.

The second study "Family Expendtiures in Twenty-one Texas Communities" will be completed and ready for distribution within the next two weeks. A third study relating to consumer reactions in local retail distribution is in preparation and the release date will be announced later. The price of the entire series is one dollar.

A Monthly Summary of Business and Economic Conditions in Texas and the Southwest
Bureau of Business Research, The University of Texas, Austin, Texas
Entered as second class matter on May 7, 1928, at the post office at Austin, Texas, under Act of August 24, 1912

TEN CENTS PER COPY ONE DOLLAR PER YEAR

POSTAL RECEIPTS

	Dec., 1941	Dec., 1940	Nov., 1941	Year 1941	Year 1940
Abilene	$ 44,398	$ 25,181	$ 25,479	$ 314,827*‡	$ 202,583*‡
Amarillo	51,293	47,412	31,482	427,610	416,946
Austin	102,435	88,470	67,629	923,069	860,027
Beaumont	45,295	40,010	28,079	363,467	335,325
Big Spring	10,809	9,336	6,386	82,619	76,682
Brownwood	25,109*	†	14,790*	181,931*	†
Childress	2,000	5,680	2,000	31,224	34,414
Coleman	4,860	3,716	2,485	33,806	28,269
Corpus Christi	64,766	45,742	38,340	461,395	362,563
Corsicana	10,156	9,431	6,328	77,164	71,139
Dallas	546,411	498,521	387,323	4,961,747	4,597,769
Del Rio	5,672	5,484	3,958	63,347	49,487
Denison	11,248	10,291	5,931	82,982	75,777
Denton	10,808	10,265	7,052	96,503	92,188
El Paso	103,224	82,244	60,508	772,630	590,295
Fort Worth	255,389	214,432	168,486	1,969,468	1,824,023
Galveston	60,464	46,140	33,520	439,449	381,762
Gladewater	4,221	4,354	2,608	†	34,018*
Graham	3,661	3,677	2,163	29,201	29,597
Harlingen	10,494	9,862	6,274	83,165	77,914
Houston	410,011	359,717	267,455	3,411,520	3,167,241
Jacksonville	4,476	3,920	3,096	42,301	38,237
Kenedy	1,817	1,563	1,324	17,454	15,560
Kilgore	9,307*	8,888*	†	†	73,113*
Lufkin	7,147	6,577	5,076	†	57,560*
Longview	14,498	13,774	8,667	120,840	114,709
Lubbock	32,783	27,624	21,888	267,716	237,615
McAllen	8,017	8,279	4,834	62,198	64,729
Marshall	10,377	10,362	5,822	82,333	80,042
Pampa	11,328	10,698	6,667	87,604	86,527
Paris	10,044	8,366	5,986	79,032	73,080
Plainview	7,181	6,352	3,735	52,225	50,283
Port Arthur	28,449	25,354	14,903	189,974	176,029
San Angelo	23,208	18,324	13,397	172,020	148,766
San Antonio	249,538	203,790	145,296	1,862,658	1,620,261
Sherman	12,869	11,793	7,418	98,601	94,016
Sweetwater	7,461	6,697	4,615	†	61,617*
Temple	10,539*	†	6,793*	†	†
Tyler	23,934	22,032	15,260	200,452	195,131
Waco	50,719	44,103	37,073	445,874	412,643
Wichita Falls	52,042	34,627	29,918	352,709	296,360
TOTAL	$ 2,313,503	$ 1,984,200	$ 1,488,461	$18,444,357	$16,775,406

*Not included in total.
†Not available.
‡Eleven months.

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

TABLE OF CONTENTS

PAGE

Business Review and Prospect, F. A. Buechel 3
Cotton Vital in the Economy During 1942, A. B. Cox 9
What the War Production Program Means, Elmer H. Johnson 4

LIST OF CHARTS

Disposition of Milk Produced on Farms in Selected States, 1939 1
Indexes of Business Activity in Texas 2

LIST OF TABLES

Banking Statistics 15
Building Permits 11
Carload Movement of Poultry and Eggs 12
Cement 8
Charters 13
Commercial Failures 13
Commodity Prices 8
Cotton Balance Sheet 9
Credit Ratios in Texas Department and Apparel Stores 14
Employment and Payrolls in Texas 10
Lumber 13
Percentage Changes in Consumption of Electric Power 13
Petroleum 11
Postal Receipts 16
Retail Sales of Independent Stores in Texas 12, 13
Shipments of Livestock 14